

SAN GABRIEL VALLEY WATER COMPANY

September 30, 2021

(By Certified Mail)

Terence Shia
Director, Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Amy C. Yip-Kikugawa
Director, Public Advocates Office
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NOTICE UNDER RULEMAKING 09-04-012

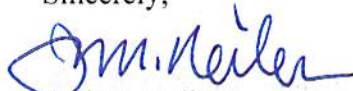
Rule VIII.E of Modified Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services – Decision 11-10-034 states:

Commencing in 2013, and biennially thereafter, the utility shall have an audit performed by independent auditors if the sum of all unregulated affiliates' revenue during the last two calendar years exceeds 5% of the total revenue of the utility and all of its affiliates during that period. The audits shall cover the last two calendar years which end on December 31, and shall verify that the utility is in compliance with these Rules. The utility shall submit the audit report to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates no later than September 30 of the year in which the audit is performed. The Division of Water and Audits shall post the audit reports on the Commission's web site. The audits shall be at shareholder expense.

During the calendar years 2019 and 2020, revenue from San Gabriel Valley Water Company's (U337W) unregulated affiliates consisted of less than 1% of total revenues. Therefore, San Gabriel Valley Water Company does not meet the threshold to warrant an independent audit.

Please call me at (626) 448-6183 with any questions or if you require additional information.

Sincerely,



Joel M. Reiker
Vice President of Regulatory Affairs